

# Mineral Industry Surveys

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## TIN IN MARCH 2003

Domestic consumption of primary tin in March was estimated by the U.S. Geological Survey to be about 1% higher than that in February and 4% higher than that in March 2002.

The Platts Metals Week average composite price for tin in March was \$3.24 per pound, almost the same as that in February and 16% higher than that in March 2002.

Japan's second- and third-ranked steelmakers, NKK Corp. and Kawasaki Steel Corp. merged on April 1. Both firms have long been major tinplate producers and rank worldwide as important tin consumers. The new organization, called JFE Steel Corp., will be Japan's second largest steel producer (Metal Bulletin, 2003a).

In Russia, the Novosibirsk Tin Works has restarted production at its Molodyozhny and Perevalny tin mines. Novosibirsk is Russia's only tin smelter, but has had continuing difficulty in obtaining sufficient raw material. The smelter plans to raise refined tin output by 10% in 2003 to about 5,600 metric tons (t). This is significantly less than the smelter's design capacity of 15,000-20,000 t annually. As recently as 1995, the smelter was producing over 12,000 t yearly, but a decline in output from domestic mines caused the smelter's output to dwindle. The Molodyzhny and Perevalny Mines are believed to contain large reserves of tin, but significant investment is required to exploit them fully (Metal Bulletin, 2003b).

In Indonesia, major tin producer PT Timah reported that its refined tin output increased by 14% to 44,000 t in 2002. Among Timah's plans is the construction of a new tin smelter on Kundur Island near Singapore with an annual capacity of 7,000 t. The smelter project is set to commence construction in 2004. Timah also reported that its 2002 mine output reached 55,000 t of tin-in-concentrate, a 36% increase over 2001. About 75% of Timah's production came from land-based sources, and the remainder came from offshore dredge operations (Metal Bulletin, 2003c).

U.S. Steel Corp. (Pittsburgh, PA) announced that it would acquire steel producer Sartid a.d. (Serbia) and six of its

subsidiaries. Reportedly, the purchase price will be \$23 million, but the company's financial commitment goes well beyond that; the firm has also agreed to spend \$150 million over the next 5 years on working capital for rehabilitation and improvement of the facilities. U.S. Steel also bought USS Kosice, Slovakia's largest steel producer, in November 2000 and recently made a bid for Polski Huty Stali, Poland's largest steelmaker. Both Sartid and Kosice produce tinplate (American Metal Market, 2003b).

The U.S. Bankruptcy Court for the Southern District of New York approved the offer of International Steel Group Inc. to acquire Bethlehem Steel Corp. for \$1.6 billion. Bethlehem Steel produces tinplate at its Sparrows Point, MD, steel plant and ranks as an important tin user (American Metal Market, 2003a).

In another example of the ongoing consolidation of the American steel industry, the U.S. Bankruptcy Court for the Northern District of Illinois granted approval to U.S. Steel Corp. for its \$1.05 billion bid to acquire National Steel Corp. (Mishawaka, IN). National is an important Midwestern tinplate producer in Portage, IN (American Metal Market, 2003c).

### Update

On April 17, 2003, the Platts Metals Week composite price for tin was \$3.22 per pound.

### References Cited

- American Metal Market, 2003a, ISG maps Bethlehem course as court approves \$1.6 billion deal: American Metal Market, v. 111, no. 16-4, April 24, p. 1, 2.
- American Metal Market, 2003b, U.S. Steel buying Serbia steel mill, 6 subsidiaries: American Metal Market, v. 111, no. 13-3, April 2, p. 1, 2.
- American Metal Market, 2003c, U.S. Steel strides forward on two acquisition fronts: American Metal Market, v. 111, no. 16-3, April 23, p. 1, 2.
- Metal Bulletin, 2003a, Genesis of a giant: Metal Bulletin, no. 8762, April 3, p. 18.
- Metal Bulletin, 2003b, Novosibirsk restarts tin mining: Metal Bulletin, no. 8763, April 7, p. 7.
- Metal Bulletin, 2003c, PT Timah pins hopes on tin price recovery: Metal Bulletin, no. 8763, April 7, p. 5.

TABLE 1  
SALIENT TIN STATISTICS<sup>1</sup>

(Metric tons, unless otherwise noted)

	2003			
	2002 <sup>P</sup>	February	March	January- March
Production, secondary <sup>6,2</sup>	10,800	900	900	2,700
Consumption:				
Primary	35,800	3,140	3,180	9,470
Secondary	10,800	668	669	2,000
Imports for consumption, metal	42,200	2,540	NA	NA
Exports, metal	2,940	318	NA	NA
Stocks at end of period	7,280	6,690 <sup>f</sup>	6,700	XX
Prices (average cents per pound): <sup>3</sup>				
Metals Week composite <sup>4</sup>	291.97	322.82	323.84	XX
Metals Week New York dealer	194.75	218.06	218.50	XX
London, standard grade, cash	184.00	207.00	208.00	XX
Kuala Lumpur	184.35	209.62	209.76	XX

<sup>6</sup>Estimated. <sup>P</sup>Preliminary. <sup>f</sup>Revised. NA Not available. XX Not applicable.

<sup>1</sup>Data are rounded to no more than three significant digits, except prices.

<sup>2</sup>Includes tin recovered from alloys and tinplate. The detinning of tinplate (coated steel) yields only a small part of the total.

<sup>3</sup>Source: Platts Metals Week.

<sup>4</sup>The Metals Week composite price is a calculated formula, not a market price, that includes fixed and finance charges, and a risk factor. It is normally substantially higher than other tin prices.

TABLE 2  
METALS WEEK COMPOSITE PRICE<sup>1</sup>

(Cents per pound)

Period	High	Low	Average
2002:			
March	283.34	276.69	278.81
April	291.33	283.90	288.55
May	299.15	290.78	296.72
June	311.49	299.48	304.92
July	316.83	290.53	308.64
August	286.95	272.37	279.74
September	295.72	277.95	286.19
October	308.99	294.63	302.39
November	306.01	297.88	301.54
December	306.94	298.78	302.37
Year	316.83	267.12	291.97
2003:			
January	320.43	303.14	313.84
February	333.87	310.69	322.82
March	330.75	318.70	323.84

<sup>1</sup>The Metals Week composite price is a calculated formula, not a market price that includes fixed and finance charges, and a risk factor. It is normally substantially higher than other tin prices.

Source: Platts Metals Week.

TABLE 3  
TINPLATE PRODUCTION AND SHIPMENTS IN THE UNITED STATES<sup>1</sup>

(Metric tons, unless otherwise noted)

Period	Tinplate waste (waste, strips, cobble, etc.) (gross weight)	Tinplate (all forms)			Shipments <sup>2</sup>
		Gross weight	Tin content	Tin per metric ton of plate (kilograms)	
2002 <sup>p</sup>	61,100	2,400,000	7,440	3.1	2,100,000
2003:					
January	2,790	216,000	642	3.0	180,000
February	2,870	211,000	626	3.0	156,000
March	W	216,000	674	3.1	NA

<sup>p</sup>Preliminary. NA Not available. W Withheld to avoid disclosing company proprietary data.

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Source: American Iron and Steel Institute monthly publication.

TABLE 4  
U.S. TIN IMPORTS FOR CONSUMPTION AND EXPORTS<sup>1</sup>

(Metric tons)

Country or product	2003			
	2002	January	February	January- February
Imports:				
Metal (unwrought tin):				
Bolivia	6,150	408	601	1,010
Brazil	4,840	110	150	261
China	7,600	595	279	875
Indonesia	3,340	300	--	300
Malaysia	122	40	40	80
Peru	19,900	1,610	1,430	3,040
Russia	21	--	--	--
United Kingdom	2	--	--	--
Other	264	9	44	52
Total	42,200	3,070	2,540	5,610
Other (gross weight):				
Alloys	3,530	258	310	568
Bars and rods	224	27	18	45
Foil, tubes, pipes	1	(2)	--	(2)
Plates, sheets, strip	128	5	5	10
Waste and scrap	561	399	66	466
Miscellaneous	7,810	186	137	324
Total	12,300	875	536	1,410
Exports (metal)	2,940	240	318	558

-- Zero

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 5  
CONSUMPTION OF TIN IN THE UNITED STATES, BY FINISHED PRODUCT<sup>1</sup>

(Metric tons of contained tin)

Product	2003							
	2002 <sup>P</sup>	February			March			January- March
		Primary	Secondary	Total	Primary	Secondary	Total	
Alloys (miscellaneous) <sup>2</sup>	1,660	156	W	156	155	W	155	470
Babbitt	501	18	W	18	18	W	18	55
Bar tin and anodes	192	18	W	18	14	W	14	47
Bronze and brass	2,390	86	77	163	84	77	161	489
Chemicals	7,550	697	W	697	697	W	697	2,090
Collapsible tubes and foil	W	W	W	W	W	W	W	W
Solder	14,500	839	263	1,100	826	263	1,090	3,290
Tinning	411	34	--	34	33	--	33	100
Tinplate <sup>3</sup>	7,440	626	--	626	674	--	674	1,940
Tin powder	W	W	--	W	W	--	W	W
White metal <sup>4</sup>	W	W	--	W	W	--	W	W
Other	1,110	63	29 <sup>r</sup>	91	75	29	104	283
Total reported	35,800	2,540	368	2,910	2,580	369	2,950	8,770
Estimated undistributed consumption <sup>5</sup>	10,800	600	300	900	600	300	900	2,700
Grand total	46,600	3,140	668	3,810	3,180	669	3,850	11,500

<sup>P</sup>Preliminary. <sup>r</sup>Revised. W Withheld to avoid disclosing proprietary data; included with "Other." -- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includesterne metal.

<sup>3</sup>Includes secondary pig tin and tin components of tinplating chemical solutions.

<sup>4</sup>Includes pewter, britannia metal, and jewelers' metal.

<sup>5</sup>Estimated consumption of plants reporting on an annual basis.